

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 10398-C
MOUNTAIN UTILITIES, INC.)	

O R D E R

On March 21, 1989, the Commission issued its Order in Case No. 10398 approving certain adjustments and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On April 13, 1989, Mountain Utilities, Inc. ("Mountain") notified the Commission that its wholesale cost of gas will be increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective May 1, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mountain's notice of April 13, 1989 set out certain revisions in rates which Mountain proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$54,002 or 93.51 cents per Mcf.

(2) Kentucky West filed an application for increased rates to be effective May 1, 1989 with the Federal Energy Regulatory Commission. These rates are subject to refund.

(3) KRS 278.180 requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the notice period from 30 days to not less than 20 days upon showing of good cause. Reductions in rates will be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice provided the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause. In no case, however, shall the effective date be made prior to the actual effective date of the supplier. Mountain included a request for a showing of good cause for 20-days' notice. The effective date will, therefore, be 20 days after Mountain's notice, or May 3, 1989.

(4) Mountain's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 10398 dated March 21, 1989 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after May 3, 1989, subject to refund.

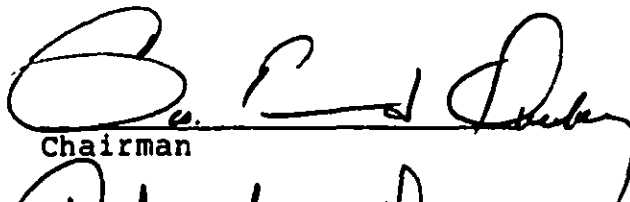
IT IS HEREBY ORDERED that:


(1) The rates in the Appendix, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after May 3, 1989, subject to refund.

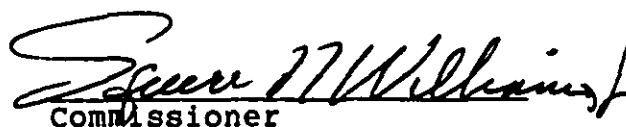
(2) Within 30 days of the date of this Order, Mountain shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of May, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10398-C DATED 5/01/89

The following rates and charges are prescribed for the customers served by Mountain Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$8.5548 Per Mcf
Over 1 Mcf	\$7.7948 Per Mcf

Minimum Bill: \$8.55 for less than 1 Mcf.

The base rate for the future application of the purchased gas adjustment clause of Mountain Utilities, Inc. shall be:

Commodity

Kentucky West Virginia Gas Company	\$2.9367/Dth*
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*Including \$0.0151 per Dth - Gas Research Institute Funding Charge and \$0.0018 per Dth Annual Charge Adjustment.